



## Press release

### RCS MediaGroup: Closing Finelco

*Milan, 26 July 2007* - RCS MediaGroup announces performance of the agreement signed on 27 April last between itself and the shareholders of the Gruppo Finelco S.p.A. today, having obtained approval by the competent Authorities.

In execution of the previously announced agreements, RCS MediaGroup has therefore granted the shareholding held in RCS Broadcast (98.99% of the capital) to Gruppo Finelco S.p.A.. RCS Broadcast - from whom the activities of AGR and CNR had previously been spun off - holds the national radio license rights of the broadcaster Play Radio (now Virgin Radio). RCS MediaGroup will receive a 25% shareholding in Gruppo Finelco S.p.A. against this grant and the relative reserved capital increase which will take effect in accordance with the law. At the same time RCS acquired the quota of Gruppo Finelco S.p.A. held by MPS Venture SGR S.p.A. – in the name of and on behalf of the closed investment funds MPS Venture 1 (8.57%) and Ducato Venture (4.29%) – equal to 12.86% (before the above mentioned capital increase) for a payment of 20.75 million euros.

The total shareholding of RCS MediaGroup in Finelco will therefore be 34.6%.

A five-year shareholders' agreement was also signed between RCS MediaGroup and the other shareholders of the Gruppo Finelco that establishes, among other things, Alberto Hazan will be in charge of editorial management, governance regulations will protect the RCS shareholder, "put" rights of the other Finelco shareholders in the fourth year following implementation of the Agreement, and "put" and "call" rights in the event of deadlock, and during the fifth year if agreement is not reached on renewal of the shareholders' agreement. The valuation of the investment in the event that the options are exercised will be determined at the time of exercise by a leading investment bank that will act as an independent arbitrator.

For further information:

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